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DOLLARS TO FARMERS BOOM BUSINESS

The accompanying article deals with the economic results of the Agricultural Adjustment Administration's programs for adjusting production of cotton and wheat. Ten million acres of cotton were plowed up in the South as a means of reducing the burdensome surplus. Wheat farmers, suffering from low prices under excess supplies, have agreed to curtail acreage in 1934 and 1935. The article shows the effect, in three counties, of paying wheat and cotton benefits to farmers who signed acreage reduction contracts.

LIKE withered plants taking on new life in all their parts when rain follows an extended dry spell, the long-depressed communities of the South and the Middle West are showing the revivifying effects of the Government's agricultural adjustment program.

The men in charge of this program have spoken more than once of the importance of "getting money out to the grass roots." They have expressed the view that purchasing power distributed to the farmers would be certain to find its way to other groups. That this is actually the case is borne out by a survey made in typical counties in the cotton and wheat belts.

Money put into the hands of the farmers is benefiting almost every group in their communities, the survey shows. Delinquent taxes are being paid; banks are collecting on notes they had written off long ago; schools are reopening or staying open for longer terms; stores are doing an increased business; and money is flowing to the industrial centers of the Nation in the form of orders for clothing, household furnishings and supplies, farm implements, automobiles and automobile parts, radio storage batteries, paint, lumber, and many other things that farmers buy.

A striking fact revealed in the survey is that many farmers of the South are able, for the first time in 4 years, to buy back their own cotton in the form of cotton cloth and articles of clothing. One merchant in a small Georgia city estimated that the farm families in his community could each buy \$50 worth of cotton goods without being oversupplied.

"They hadn't been able to buy anything for 4 years", he said, "and their clothes were nearly worn out."

Few of the farmers, if any, are hoarding their money, the survey indicates. They are hastening to pay debts or taxes long deferred, and to buy articles they have long gone without. There is overwhelming evidence that they are using the money conservatively and making every dollar bear its full load.

In some of the wheat areas, stricken by drought 2 years in succession, the Government checks represent the only cash income the farmers have received this year. Their condition is so desperate that many of them are relying on this money to keep them from starving this winter.

Contrary to the impression held by many city people, not all farmers have been able to provide themselves with the bare necessities of life on their farms. Every one of the three counties surveyed has had on its relief rolls a number of farm families. In ordinary times these families are self-supporting, but during the depression they have fared little better than their unemployed city cousins. With increased income from benefit payments and with higher prices, many farmers are finding it no longer necessary to depend upon public relief.

WHOLE COMMUNITY BENEFITING

The state of mind of many of the business men in the South is well illustrated by the comment of H. B. Bellenger, vice president of the Altus National Bank, Altus, Okla.:

The results of the Government's cotton program have been wonderful. Our whole community is benefiting from it. We are feeling the effects here in this bank. Our loans were in excess of \$300,000. We have collected at least one third of this amount and we are not nearly through yet. One farmer came in the other day with several hundred dollars and paid up his note in full. He still has his cotton options and also the cotton in his field.

This program just about saved our lives. I never have seen anything work out better in my life.

One of the farmers in Jackson County, of which Altus is the county seat, summed up his experience:

Last year I had 48 bales, which netted me less than \$4 each after my cash costs were paid. This year I had 36 bales, which netted me nearly \$12 each after the cash costs had been paid.

I work my farm on half shares. I plowed up 20 of my 80 acres of cotton and got \$80 as my half. My share of six bales of options will give me \$60 more.

Last year I couldn't pay a thing. This year I can live, pay more for my groceries, and buy a few things.

Jackson County has approximately 2,750 farms, about 50 percent of which are occupied by tenants. The average farm is around 200 acres. About 99 percent of the farmers are white, though Negro labor is employed to some extent. There are 2 or 3 workers to each 100 acres, with 10 or 12 pickers during picking time. Some of the farmers practice one-crop cotton farming, while others diversify. Nearly two thirds of the land in crops is ordinarily planted to cotton.

Cotton production the last few years has ranged from 75,000 to 100,000 bales. This year's crop is expected to run about 70,000 bales.

"Plow-up contracts" were signed by 2,280 farmers, representing 182,173 acres, or 85 percent of all the cotton. The total number of acres plowed up was 67,468. Benefit payments received by the farmers totaled approximately \$615,000. (The largest plow-up check was for \$4,600; the smallest was for \$20.) Options on 15,300 bales of Government-owned cotton will yield \$306,000 more.

About 75 percent of the crop had been sold before Government loans became available. Since that time, those who had cotton have stored it in the warehouses at Altus and at other points, and the loans have been assumed by the local banks.

Altogether, the returns to cotton growers of the county in the form of plow-up benefits, profits on options, and payments or loans for their cotton, will amount to approximately \$4,000,000. This compares with a gross income of \$2,180,000 a year ago.

Deposits in the two banks, the Altus National Bank and the National Bank of Commerce, have risen from \$900,000 to \$1,500,000. The latter bank is only 2 years old and its farmer loans, therefore, have been small, amounting to only \$50,000. Practically all of these, according to W. B. Gover, president, have been liquidated with money which came from cotton.

NEWSPAPER ADVERTISING INCREASED

The Altus National Bank has handled about \$150,000 of the cotton loans at 4 percent, the same rate charged by the Government.

"We regard this as especially good business," said Mr. Bellinger.

Harrington Wimberley, publisher of the Altus Daily Times, reported that the volume of advertising in his newspaper is up about 30 percent as compared with a year ago.

"The farmers are using their money to good advantage", said Mr. Wimberley. "They are not hoarding it and not squandering it. They are good spenders and are buying the things they need."

D. E. Sessions, superintendent of Federal emergency relief work in Jackson County, reported that of the 2,280 farmers who signed cotton contracts, 611 had been on relief rolls. Relief is no longer necessary for many of these.

Because of tax delinquency, school teachers in the rural schools have been paid with tax warrants, though the schools have stayed open the full period of 8 months. Formerly these warrants were discounted from 5 to 25 percent, but now, because of the improved outlook, they are being cashed at face value, according to C. O. Booker, the county school superintendent.

J. S. Wood, in the investment and loan business, declared that last year he considered himself lucky to get interest on his money, whereas this fall farmers are paying up their loans in full. Some of these loans were made in 1929 and 1930.

Miss Vanna Hooper, county treasurer, reported that she had been taking in money so fast in payment of 1931 and 1932 taxes that she had not had time to add it up. In 1 day she took in \$9,800 over the counter and had not had time to open her mail.

Many farmers have bought automobile license tags and have resumed operating their cars, according to Mrs. W. R. Livermore, the local tag agent.

OIL STOVES IN DEMAND

Fred C. Russell, of Russell Bros. Hardware Store, which does 95 percent of its business with country people, reported that he had sold 5 suites of furniture in 3 days, and had been selling from 1 to 4 oil ranges a day. Other articles which farmers were buying in large quantities were linoleum rugs, sets of harness, boys' wagons, cooking utensils and dishes, and new and used furniture.

"For the last 3 years we haven't had business like this," said Mr. Russell. "The farmers are not buying frivolous things, either. Everything is staples which they need."

E. G. Fuqua, of the Fuqua Electric Store, said that a year ago he was doing very little business with farmers, but now they are buying radios and batteries and are rehabilitating their sets.

The local store of the C. R. Anthony Co., a chain doing business in Oklahoma, Kansas, and nearby States, is doing one third more business in dollar volume than a year ago. The increase in its commodity volume is only slightly smaller. The manager declared this is the best year the store has had since its establishment in 1927. The farmers are buying bedding, overalls, piece goods, curtains, shoes, boots, tablecloths, oilcloth, and clothing of all kinds. The men's clothing handled by this store comes from New York, the shoes from St. Louis, and the overalls from Oshkosh, Wis.

George E. Starks, manager of the local J. C. Penney store, said that business for the year so far has been 22 percent better than last year. Three fourths of this store's trade is with farmers. Its ready-to-wear clothing comes from New York, and its work clothing and piece goods from southern points.

AUTOMOBILE SALES AFFECTED

George Hudspeth, local Chevrolet dealer, declared that in the first 11 months of 1932, he sold 55 new cars, none of which was bought by a farmer. This year, during the same period, he has sold about 200 cars, including 40 to farmers. In addition he has sold about 100 used cars to farmers this fall.

"I have not seen such buying since 1927", said Mr. Hudspeth. "The farmers are paying for their cars outright. I have collected debts I charged off in 1929, and incidentally I have paid some of my own debts."

C. W. Snyder and O. L. Phipps, Sr., proprietors of the Ford agency, said they have sold 25 percent more new cars this year than last, and twice as many used cars. Total business during the months of October and November was four times as good as in the same period in 1932. This agency reported that its sales are principally to townspeople whose incomes have increased as a result of the farm prosperity. However, its shop work for farmers is three times as great as a year ago.

In Carroll County, Ga., the survey has revealed gains as a result of the Government's cotton program that are similar to those reported from the Oklahoma county. The county is southwest of Atlanta, in the Piedmont region. It has approximately 5,300 farmers, 86 percent of whom are white. Most of the farms are small, averaging about 51 acres, and are operated by their owners. The average amount of cotton planted on each farm is about 15 acres.

Of the 75,000 acres of cotton planted in 1933, the farmers took out 12,625 acres, or 17 percent. They signed 2,080 plow-up contracts. The production of cotton in the last 5 years has ranged from 33,000 to 42,000 bales. This year it is expected to be around 30,000 bales.

Benefit payments made to farmers in consideration of their reduction of acreage amounted to \$150,000. The checks ranged from \$12 to \$2,040. Options for 4,903 bales will bring in almost \$100,000 more. Before the Government loans on cotton were announced, about 15,000 bales of the county's crop had been sold. Since that time most of the farmers have been storing their cotton and taking advantage of the Government's offer.

The total income of the Carroll County farmers from benefit payments, options, and the crop itself is expected to be around \$2,000,000, as compared with \$1,170,000 from the cotton crop of last year.

The last good year enjoyed by this county before 1933 was 1929, when it harvested a 42,000-bale crop. With returns from this crop the county built a handsome new courthouse in 1930, entirely paying for it in 1 year. After that time, however, conditions grew steadily worse.

Much of the money paid out to the Carroll County farmers in benefit payments apparently is finding its way back to the various branches of Government. Since the plow-up checks arrived, \$83,000 has been paid on Government production loans. Only \$2,100 remains to be paid, and officials are looking for collections of between 99 and 100 percent.

Late in November, the State and county taxes collected in this county amounted to \$21,000, out of \$98,000 levied. This was 100 percent better than at the same time in 1932. Of the 1931 and 1932 taxes, about \$50,000 was delinquent. Forty percent of this has been paid since the first of October, with the result that the 1931 taxes are nearly all paid. Many of the cotton plow-up checks were endorsed over for taxes. Some farmers took up three receipts—for 1931, 1932, and 1933.

The amount collected on the county-wide school tax was about \$4,500 in October and November 1933, as compared with \$2,500 in the same months in 1932.

L. M. King, cashier of the Peoples Bank of Carrollton, the county seat, declared that when this bank was reorganized and reopened December 12, 1932, after being closed in May 1932, deposits were only \$111,000. On November 23, 1933, the deposits were \$228,000. In the month preceding, the increase was about \$70,000, mainly as a result of the improved condition of the cotton growers. Since the cotton crop began to move, the middle of September, the bank has collected more than \$50,000 on loans. When the bank reopened last December, it owed the Reconstruction Finance Corporation \$225,000. Now this amount has been reduced to \$95,000. The bank has sold several tracts of land this fall, whereas formerly land was not salable at all. The bank has not made any new loans since reopening, but if conditions keep improving, it will be in position to do so by the first of March, according to Mr. King.

In Carrollton, the farmers are not spending their money for new cars, though many have reconditioned their old cars and are driving them again. Besides making payments on debts and taxes, they are spending their money for clothing, household articles, and farm implements.

FARMERS BUY NECESSARY CLOTHING

J. W. Griffin, proprietor of Griffin's store, dealing in dry goods and clothing, said that the farmers are buying necessary articles such as shoes, hats, and overalls. Up to the last part of November, the dollar volume of his business for the year was about 25 percent greater than during the same period in 1932. The Griffin store sells shoes produced in Manchester, N.H., Rochester, N.Y., and St. Louis, Mo.; hats produced in Philadelphia, Pa., and St. Louis; overalls produced in Indiana and in Macon, Ga.; suits made in Kentucky,

Georgia, and St. Louis; and dresses and dress goods made in New York and Chicago.

October of 1933 showed business 70 percent better than October of 1932, according to W. W. Baskin, of the Carrollton Hardware Co., which does about 75 percent of its business with farmers. This store is selling large quantities of roofing made in Ohio, and farm implements and articles needed for repairs.

E. E. Stallings, of the People's Hardware Store, said his store had sold eight wagons between the middle of September and the last part of November. Last year none had been sold in this period. Farmers have also bought some medium-priced furniture, made in Atlanta, Ga., and in Tennessee, and he has had to replenish his supply. He is selling cook stoves, bed springs, iron beds, mattresses, chairs, axes, crosscut saws, cooking utensils, lamps, lanterns, flatirons, linoleum rugs, paint, and roofing. The amount of roofing sold has increased by 100 percent. This is made in Tennessee. Paint handled by the store comes from New York and Chicago. In general, the store's business is about 25 percent better than it was a year ago.

FEWER FARM FAMILIES NEED RELIEF

Some decrease in the number of farm families on relief rolls this winter is anticipated by Rev. J. L. McGirt, president of the Carroll County chapter of the American Red Cross. Last year about 1,000 families in the county, including 700 farm families, were helped with flour and clothing. Some of the tenant families will need help again this winter, however, according to Mr. McGirt.

A survey was made in Finney County, in western Kansas, about the time the Government checks were received by wheat farmers who had agreed to participate in the wheat acreage reducing program. This county has about 850 farmers, of whom more than 650 grow wheat. The county also has an irrigated district, where sugarbeets are grown. Approximately 289,000 acres of wheat is grown in the county, according to adjusted figures agreed upon by local officials and officials of the Agricultural Adjustment Administration. The 3-year average production for 1930, 1931, and 1932, on which the allotments were based, was 3,279,000 bushels. This included a heavy crop in 1930 and a light one in 1932. This year the drought caused another small crop, the yield being only about 3 bushels to the acre, scarcely enough for seed.

To add to the county's troubles from drought and short wheat crops, two national banks in Garden City, the county seat, failed to open after the bank holiday last March. Only one State bank has been left functioning.

"This county has been almost bankrupt", said L. E. Crawford, the county agent. "The only light the people have seen is the wheat allotment. Otherwise it would be a dark, dismal picture for the winter."

ALLOTMENT PAYMENTS RENEW HOPE

The desperate financial condition of the county has been reflected in delinquent taxes, severe slashing of school teachers' salaries and the prospect that about 25 schools will have to go off the "cash

basis law" to keep on operating, and the necessity of many farmers having to turn to public relief to keep from starving because of their short wheat crop, the low price for what cream they had to sell and the failure of their gardens due to the drought.

Because of these conditions, a greater proportion of the \$325,000 the county is receiving as its share of the wheat allotment payments will go for bare necessities—food, fuel, and clothing—than has been the case in the South. A number of the farmers, questioned about their plans for disposing of the money, replied that they expect to use part of it to "get by the winter." The rest of the money will be paid on debts and taxes and to buy needed articles.

To show concretely what some of these farmers are planning to do with their money, a few examples are given herewith, though for obvious reasons the farmers' names are omitted:

Farmer A.—Allotment check, \$1,131. He is keeping enough to carry his family through the winter. The rest will be applied on debts (which total \$5,685) and on taxes. He owes 2 years' taxes and 2 years' interest on his mortgage. If the money will reach, he will pay the interest and taxes for both years.

Farmer B.—Allotment check, \$225. He has \$75 note at the bank, which he will pay in full. He will use about \$100 for taxes and \$50 for miscellaneous expenses, which include \$25 for church dues and the remainder for painting his henhouse and making other improvement.

Farmer C.—Allotment check, \$199.20. He is a landowner, who has a third interest in the crop. He will pay for \$125 worth of seed wheat, and apply the rest on his taxes of \$194.40.

Farmer D.—Allotment check, \$385. He has eight children in the family. Part of the money will be used for living expenses, and the rest will go on debts. "We've starved for two years."

Farmer E.—Allotment check, \$215. He will pay \$84 on life insurance (the annual premium). Some money will be used to buy clothes for the family. He also will buy more cows—he has three now, and wants three more.

PLANS HOME IMPROVEMENTS

Farmer F.—Allotment check, \$101 (with other benefit payments due him on land in Scott and Hodgeman Counties, he will have about \$700 altogether). He expects to use about half of the money on debts, and the rest on "fixing things up at home." He expects to paint his house and to build a chicken coop.

Farmer G.—Allotment check, \$472 (has about \$100 more coming). He will use part of the money for obligations; some on clothing, food, fuel, and general household expenses; some for taxes; some for gasoline; also \$30 or \$40 for repairs on car.

The Government's allotment plan for wheat has received almost unanimous support from the farmers of Finney County, more than 95 percent of the growers having signed contracts to reduce their acreage by the required 15 percent. They are hopeful of a better crop next season than in 1933, and of prices which will yield them an increased return. Meanwhile, they are agreed that if it were not for the Government checks their situation would be nothing short of desperate.

